

MAKING SENSE OF AN IMPOSED INDUSTRIAL RELATIONS SYSTEM IN PAPUA NEW GUINEA: A REVIEW OF LITERATURE[†]

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INTRODUCTION

Over the past few decades there has been much debate on the issue of whether some transformation of the industrial relations system has occurred in many countries in response to globalisation of capital, markets and technology. One theme that is apparent in the debate is the existence of different national institutional systems and cultures as the common denominators of the existence of different industrial relations systems.¹ What is often not articulately acknowledged in such debates is how national industrial relations systems in developing countries have progressed after the departure of the colonial powers. This paper analyses the emergence and operation of Papua New Guinea's (PNG's) industrial relations system. The evaluation of the body of literature on industrial relations in PNG will identify the historical emergence of an imposed industrial relations system that continues to have contradictions and present challenges for the country.

The review of industrial relations literature on PNG is divided into three main sections each commencing with a separate thematic discussion. The chronological review is structured into three main sections: colonisation, independence, and post-independence. A concluding discussion provides a brief perspective of current commentary on labour associated works and predicts the emergence of further works.

INDUSTRIAL RELATIONS SYSTEM AS A PRODUCT OF COLONIALISM

A country's fundamental features of industrial relations whether in whole or segment, according to Dunlop, one of foremost American labour relations scholars, depends on three factors: effect of chronological period, pattern of social change and process of economic development.² Chronologically, he cited the Russian Revolution of 1917 and establishment of International Labour Organisation (ILO) in 1919 as notable events that radically affected industrial relations of most countries. As for the pattern of social change, the emergence of a labour movement with its impact on national, political and industrial revolutions may affect a country's industrial relations system. He also saw the nature and characteristics of the process of economic development also influence significantly the structuring of industrial relations system. The three momentous events

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¹ Richard Locke, Thomas Kochan and Machael Piore, 'Reconceptualising comparative industrial relations: Lessons from international relations' (1995) 134(2) *International Labour Review* 139.

² John Dunlop, *The Industrial Relations System* (1958) 38.

are all relevant. However, in the case of PNG, the effect of chronological period may have had a lot of influence on its emergence and development of labour relations. That is politically, although the early chronological developments in PNG did not resemble in any way or form the Russian Revolution nor the establishment of ILO as observed by Dunlop. What had occurred and in fact had relevance for industrial relations was the annexation of the island by Germany and Britain in 1884. It stands out as the first most significant event of formalisation of imperial control and had implications on indigenous labour control in the pursuit of colonial commercial interest. Although no significant studies exist, there seem to be one major theme embedded in the writings of the early period of the colony and thereafter, and that of its political and economic annexation, and by default the occasional discussion on labour relations.

The present industrial relations system of PNG, and indeed of most developing countries, is the product of colonialism. As in almost all colonies, the role played by the colonial governments in direct support of the commercial interests of employers is abundantly obvious,³ in typical historical narratives of their colonial labour policies. The roles played by German colonial administration and later by the British and Australian colonial administrations are intertwined in political and economic endeavours and observed in historical narratives.

COLONIAL LABOUR POLICIES

Generally, the colonial state and settler capitalists in PNG were responsible for providing the employment that consequentially contributed to industrial relations. Only a handful of literature on PNG history attempts to explain the imperial German rule of New Guinea or its recruitment and utilisation of labour. Of the literature that exists in the local context, two significant categories exist. The first views political aspects of establishment of New Guinea as a German Protectorate 1884-1914, surveying the various instrumentalities which evolved under a succession of administrative regimes in order to strengthen Germany's hold over New Guinea societies. Discussion of labour is done in passing only as political and administrative structure takes precedence, which explains the political imperatives of imperial German Governor's control of New Guinea. In this context labour history takes the form of processes the imperial German government exercised in bringing local villages under their control. According to Waiko Germans appointed local headmen, known as *luluais*, to exercise direct control over villages.⁴ The *luluais* were often under the authority of a German administrative officer who had to control the district in order to make it safe and profitable for investment and business. Further,

³ See for example, Peter Fitzpatrick, 'The Formation of the Working Class', in Ahamed Amarshi, Keeneth Good and Rex Mortimer (eds), *Development and Dependency: The Political Economy of Papua New Guinea* (1979); Colin Newbury, 'The Long Apprenticeship: Labour in the political economy of New Guinea, 1915-1941' (1998) 18 *Journal of Pacific Studies* 26. Edwin Parr, *Edie Creek 1926-1927: The Indian Summer of Red-Shirt Capitalism* (BA Honours thesis, Department of History, University of Papua New Guinea, 1974); and Steward Firth, 'The New Guinea Company, 1885-1899: A Case of Unprofitable Imperialism' (1972) 15 *Australian Historical Studies* 59.

⁴ John Waiko, *A Short History of Papua New Guinea* (1993).

Hempenstall⁵ noted that several studies of life under the Germans⁶ exist to document islanders' relationship with their colonial rules and changes to island society brought by that relationship where labour is discussed.

The second category of literature documents predominately the economic developments of the German empire in New Guinea. The labour dimension in this category is treated with reference to the German colonial pursuit of land exploration and exploitation where native and indentured labour scheme form an essential dual partnership in working the plantations and business empire of the all important German New Guinea Company. Several historians⁷ who wrote on the economic dimension of the German presence in New Guinea mainly document the novelties of the new work system and its impact on the native administrative workers and plantation labourers. Much of the discussion pertains in particular to the endeavours of the New Guinea Company in administration of the colony and its economic pursuits in making profits from using local and indentured labour to work copra, cocoa, and tobacco plantations. In the writings utilisation of labour during the German control of New Guinea had been seen as just one aspect of convenience to make the investment in administration, plantation yield profit.

These two categories represent the two sides in an unexplored analysis in the history of labour in German New Guinea.

However, there is a limited amount of literature on British and Australian colonial administrations in the country. Some of the literature documented British controlled Papua and documented mainly independent white alluvial miners and their temporary native "bois"(assistants) working the fruitless Laloki gold rush of 1887.⁸ The activities of the local assistants are adequately documented.⁹ Yet, historical documentation is vague on the relationship between the locals and alluvial miners. In perspective, the main theme embedded in the general literature is the introduction of capitalism in an exotic and alien island.

5 . Peter Hempenstall, 'The Superstructure of the Colonial State in German Melanesia, in Soni Latukefu (ed), *Papua New Guinea: A Century of Colonial Impact 1884-1984* (1989) 133.

6 For an elaborate account of German rule in PNG see Peter Hempenstall, 'The Reception of European Missions in the German Pacific Empire: The New Guinea Experience' (1975) 10 *Journal of Pacific History*; also see Paul Kennedy and Jim Moses, *Germany in the Pacific and Far East* (1978) and Steven Firth 'The New Guinea Company 1885-1899: a case of unprofitable imperialism' (1972) 15 *Historical Studies* 361.

7 See Donald Denoon, 'A review of Firth, New Guinea Under the Germans, Pacific History Bibliography and Comment' (1983) *Pacific History Bibliography and Comment* 69; Colin Newbury, 'Land, Labour, Capital and Colonial Government in Papua New Guinea' in Sioni Latukefu (ed), *Papua New Guinea: A Century of Colonial Impact 1884-1984* (1989); James Moses, 'Imperial German Priorities in New Guinea' in Sioni Latukefu, (ed), *Papua New Guinea: A Century of Colonial Impact 1884-1984* (1989).

8 James Gibbney, 'The New Guinea Gold Rush of 1878' (1972) 58 *Journal of the Royal Australian Historical Society* 284.

9 Great work documenting expatriate gold diggers working with local assistants is found in Ewin Parr, *Edie Creek 1926-1927: The Indian Summer of Red-Shirt Capitalism* (BA Honours thesis, Department of History, University of Papua New Guinea, 1974). Similar experiences are described by Hank Nelson, 'Gully-Rakers, Mining Companies and Parallels of War' in Stephen Henningham and Ron May (eds), *Resources, Development and Politics in the Pacific Islands* (1992) 22.

The rest of the literature provides an explanatory account of why and how Australia was involved in the administration and the plantation economy of the colony from 1941 and thereafter. The examination of labour relations is centred on the theme of colonial labour policies - the indentured labour scheme and the highlands labour scheme established in the 1950s. Most of the writers¹⁰ detailed the salient characteristics of the policies and explained the inherent imperative of economic, political and social interests of the colonial powers. Particular emphasis in the literature is on the essential aspects of the policy that specified the master-servant relationship between the indentured labourer and employer. Others¹¹ described it as incomprehensible and strange to most labourers on the Wau-Bulolo gold fields and plantations on the New Guinea north coast and islands, because of no previous formal employment experience. This incomprehension coupled with decades of harsh treatment of local workers triggered the notable Rabaul Strike of 1929 which was the earliest collective industrial action ever undertaken by an indigenous workforce.¹² Yet, for many indentured labourers, instant withdrawal of labour was common when working conditions became harsh and intensified.¹³ Industrial activities were confined mainly to skilled European workers who staged racial and labour disputes from the 1920s to the 1940s, as a result of the shift up the occupational ladder for indentured labourers.¹⁴ The work conditions of local indentured workers were not an issue until the old system of indenture was abolished in 1948-50.

LAYING THE FOUNDATIONS OF CAPITALISM

The adverse implications of the Australian colonial labour policies were consciously pointed out by Fitzpatrick¹⁵ and Hess,¹⁶ who have respectively argued that they were not simply paternalistic, as various commentators have suggested,¹⁷ but were aimed quite

¹⁰ The earliest record of local engagement in “introduced” commercial work is provided by Clifford Jackson, *Native Labour Law and Practice in Papua* (1924) followed by Timson Timperley, ‘Native labour Comparisons Between New Guinea and East Africa’ (1947) 1 *Monthly Notes* 7; Jeffery West, ‘Indigenous Labour in Papua New Guinea’ (1958) 77 *International labour Review* 2; Jeffery West, ‘Colonial Development in Central New Guinea’ (1958) 55 *Pacific Affairs* 2; Charles Rowley, ‘The Social Background to Industrial Relations in Papua New Guinea’ (Paper presented at the Seminar on Industrial Relations in a Developing Economy, University of Papua New Guinea, 1968); and Gerard Ward, ‘Contract Labor Recruitment from the Highlands of Papua New Guinea, 1950-1974’ (1990) 24 *International Migration Review* 273.

¹¹ For example see Hank Nelson, *Black, White and Gold: Gold Mining in Papua New Guinea 1878-1930* (1976).

¹² Two excellent articles describe the first ever recorded industrial strike staged by indigenous workers in Rabaul. They include Ian Willis, ‘Rabaul’s 1929 Strike’ (1970) 5 *New Guinea and Australia, the Pacific and South East Asia* 3; and Bill Gammage, ‘The Rabaul Strike, 1929’ (1975) 10 *Journal of Pacific History* 3.

¹³ Charles Rowley, above n 10.

¹⁴ Colin Newbury, ‘Colour Bar and Labour Conflict on the New Guinea Goldfields 1935-41’ (1975) 21 *Australian Journal of Politics and History* 3.

¹⁵ Peter Fitzpatrick, ‘Really Rather Like Slavery: Law and Labour in the Colonial Economy of Papua New Guinea in Ellin Whellwright and Larry Bukey (eds), *Essays in the Political Economy of Australian Capitalism* (1978) 108.

¹⁶ Also for a discussion on official labour policies in the colony see Michael Hess, “In the long run...”: *Australian Colonial Labour Policy in the Territory of Papua New Guinea*’ (1983) 25 *Journal of Industrial Relations* 1.

¹⁷ See Jeffery West, ‘Indigenous Labour in Papua New Guinea’ (1958) 77 *International labour*

consciously at laying the foundations of capitalism in Melanesia. The policies included introduction of indentured labour system, head tax, and educational institutions, which all paved the way for a gradual incorporation of indigenous people into the sphere of capitalism. This is one of the dominant themes that pervades the entire indentured labour literature and indeed is echoed occasionally by labour historians, much later. Latukefu,¹⁸ for example, explained that despite the grave failings on part of the colonial state and employers, the activities of the colonial state laid the foundations of the new nation of PNG. Moore¹⁹ recounted similar sentiments in the context of examining the colonial conditions of employment local workers served between 1884-1975. In a recent paper, Newbury²⁰ argued that the Australian colonial officers and their administration structure, although they maintained an atmosphere of arbitration and regulation, served as a platform for previously inaccessible local communities to produce primary goods for the world market which played a significant part in the emerging political economy of the colony in the 1940s.

Despite the colonial policies advocated for undeterred development of mining and plantation economy in PNG, ironically the colonial government allowed minimal employment of indigenous labour. Several commentators²¹ viewed that the colonial state deliberately did not allow large scale employment of indigenous labour because of its associated potential adverse impacts of uprooting of traditional village life and adaptation into an alien urban milieu. That was the main concern of the state and it did everything possible to isolate the Territory from the disruptive effects of social and economic change implicit in labour mobility and bargaining that was experienced in Africa. On the flip side of the issue, development theorists such as Siddique²² have argued that the maintenance of such a protective labour policy (like in PNG) was not only paternalistic but a cautious and determined attempt to allow a dual economy to exist that could effectively reduce the costs of its administration. He and others²³ viewed the colonial state as delivering select

¹⁸ Review 2; Jeffery West, 'Colonial Development in Central New Guinea' (1958) 55 *Pacific Affairs* 2 and Colin Newbury, 'The Long Apprenticeship: Labour in the political economy of New Guinea, 1915-1941' (1998) 18 *Journal of Pacific Studies* 26.

¹⁹ An edited collection on German rule in PNG can be found in Sione Latukefu, 'Introduction' in Sione Latukefu (ed), *Papua New Guinea: a Centenary of Colonial Impact, 1884-1984* (1989) 18.

²⁰ Clive Moore, (1990) 'Workers in colonial Papua New Guinea, 1884-1975' in Clive Moore, Jacquie Leckie and Doug Munro (eds), *Labour in the South Pacific* (1990) 78.

²¹ Colin Newbury, 'The Long Apprenticeship: Labour in the political economy of New Guinea, 1915-1941' (1998) 18 *Journal of Pacific Studies* 26.

²² Jeffery West, 'Colonial Development in Central New Guinea' (1958) 55 *Pacific Affairs* 2; and Gerard Ward, 'Contract Labor Recruitment from the Highlands of Papua New Guinea, 1950-1974' (1990) 24 *International Migration Review* 273.

²³ A serious attempt to find a model of industrial relations model of the developing world is provided by Siddique in which the role of the state is viewed as the prime mover in the development and operations of industrial relations. For more elaboration on the theory see Shafique A. Siddique, 'Industrial Relations in a Third World Setting: A Possible Model' (1989) 31 *Journal of Industrial Relations* 3.

²⁴ Several writers on labour history in PNG viewed the colonial state as custodian of the colonial economy more than anything else and therefore most of its policies were directed at facilitating legally and administratively the affairs of the colonial settlers. For more elaboration see for example, Colin Newbury, 'Colour Bar and Labour Conflict on the New Guinea Goldfields 1935-41' (1975) 21 *Australian Journal of Politics and History* 3.

goods and services to the minority of colonial public servants and settlers on the expense of the large majority of indigenous local population.

RESERVATIONS OF THE IMPOSED INDUSTRIAL RELATIONS SYSTEM

The second major theme of the general literature on industrial relations in PNG is embedded in a series of works that documented the imposition of the new Australian style of industrial relations machinery in the colony in 1962. It recognised trade unions, employer organisations, and government as equal partners in a tripartite dispute settlement system. These industrial relations principles (i.e. trade union rights and decent wage and working conditions) were also influenced by the broad changes that occurred on the international scene. The decolonisation process in Africa particularly exerted pressures on the remaining colonies to become responsible. PNG was no exception and the Australian colonial government, while making progress in other areas of administration, took it as a duty to look into the process of industrial relations dispute settlement in the country.²⁴

But obsessed by the appeal of Kerr et al's 1962²⁵ convergence thesis, many commentators²⁶ naively thought the colony's "logic of development" or endeavour towards modernisation would overcome the inherent traditional impediments and in turn make it "modern in character". However, most of the authors²⁷ expressed reservations about the effectiveness of the machinery on the disorganised and indentured labour force in a largely tribal society. Metcalf and others,²⁸ including Stevenson and much later Hess,²⁹ proved that with detailed studies on three organisations, and they found a common picture of capable, ambitious leaders who led the unions to brief political and industrial prominence but were unable to represent their workers in mundane workplace matters. Yet, despite the defunct and rapidly declining status of many trade unions, they

²⁴ Michael Hess, 'How the Foreign Devils Got it Wrong: Understanding Industrial Relations in Less Developed Countries', (1986) 28 *Journal of Industrial Relations* 2.

²⁵ Clark Kerr, John Dunlop, Frederick Harbison and Charles Myers, (1962), *Industrialism and Industrial Man: The Problems of Labour and Management in Economic Growth* (1962).

²⁶ Some writers on PNG labour in the early 1960s and 1970s viewed the development progress of PNG along the Kerr et al model where inevitability of industrialisation in the country would push aside culture, tradition and economic conditions to reach same conditions in development as west, although at a different speed and with varying degree of success. See for example Thomas Chapman, 'A Need for Leadership' (1965) 2 *New Guinea and Australia, the Pacific and South-East Asia* 1, and Michael Hess, 'The Formation and Collapse of the Milne Bay District Workers Association' (MA thesis, University of Papua New Guinea, 1982).

²⁷ See Jim Bailey, 'Reflections on Education in Workers' Association in Papua New Guinea' (1970) 8 *Industrial Review* 3; Chris Legget, 'The context of trade union development in Papua New Guinea' (1976) 3 *International Labour Review* 2; and Allan J Patterson, 'New Guinea's Trade Unions-when workers don't know what they want' (1969) 1 *New Guinea and Australia, the Pacific and South East Asia* 26.

²⁸ Peter Metcalf, *Port Moresby's Papuan Workers and their Association* (MA thesis, University of Auckland, 1968). Also see Mary Stevenson, 'A Trade Union in New Guinea' (1968) 29 *Oceania* 3.

²⁹ Michael Hess, 'The Formation and Collapse of the Milne Bay District Workers Association' (MA thesis, University of Papua New Guinea, 1982).

were propped up by the state to fulfil, on paper at least, the tripartite requirements of the industrial relations system.³⁰

An alternative view from some commentators³¹ warned against a paternalistic attitude towards trade union development in the colony. They argued against the Australian policy for the Territory in the 1960s, which advocated taking into account of the local conditions in which the industrial relations system was going to work. However, Kerr³² and Langmore³³ were quite pragmatic and cautioned against paternalism and pointed to emerging indigenous state's priorities of establishment of national minimum wage and localisation of expatriate jobs. This type of policy challenge, in trying to redress previous injustice in the areas of wage disparity, work allocation and general unfavourable areas of employment of local labour, while tuning labour policy to national objectives, was predicted to be the test of the new state.

PERFORMANCE OF THE POST-INDEPENDENCE INDUSTRIAL RELATIONS SYSTEM

The performance of bureaucratic institutions in the post-independence period of most Third World countries has been either mediocre or weak.³⁴ This outcome is often blamed on the predominant dualistic economic structure and emerging but small industrial sector with and equal size working class.³⁵ In many ways, such circumstances often adversely affected the effectiveness of many institutions in those countries. It is therefore not surprising that the subsequent works on PNG industrial relations, mostly in the 1980s, turned out to be merely post-mortems. They examined how the parties, particularly trade unions, in the introduced industrial relations system of 1962 had fared. At least two sub-themes emerge from analysing the trade union performance in the post-independence period. First, and most prominent, are description of reasons behind the poor performance of the adopted industrial relations system. Hess³⁶ viewed the long legacy of an indentured system, and an unprecedented series of factors such as tribalism and subsistence farming combined and very limited modern economy enclave with very weak state institutions as

³⁰ Ibid.

³¹ Peter Lawrence, 'Work, Employment, and Trade Unionism in Papua New Guinea' (1964) 5 *Journal of Industrial Relations* 8; Ross M. Martin 'Tribesmen into Trade Unionists: The African Experience and the Papua New Guinea Prospect' (1969) 11 *Journal of Industrial Relations* 125; and Palus Arek, 'Trade Unions-Survival in the Seventies' (1970) *Industrial Review* 8.

³² John Kerr, 'Trade Unions and Industrial Relations in Australian New Guinea' (1961) *Journal of Industrial Relations* 1.

³³ John Langmore, 'Labour relations in Papua New Guinea' (1973) 15 *Journal of Industrial Relations* 2.

³⁴ Shafique A Siddique, 'Industrial Relations in a Third World Setting: A Possible Model' (1989) 31 *Journal of Industrial Relations* 3.

³⁵ Some discussion on the dual structure of the economy is undertaken in James Gissua, *Arbitration in Paradise: Industrial Arbitration in Papua New Guinea* (PhD thesis, University of New South Wales, 1993).

³⁶ Michael Hess, 'How the Foreign Devils Got it Wrong: Understanding Industrial Relations in Less Developed Countries', (1986) 28 *Journal of Industrial Relations* 2.; Michael Hess, 'Papua New Guinea's First Peak Union Council: Creating Unions to Fill a Bureaucratic Need?' (1988) 34 *Australian Journal of Politics and History* 1; Michael Hess, 'Unionism and Industrial Relations in a Newly Independent Nations: Some Evidence from Papua New Guinea' (1989) 25 *Indian Journal of Industrial Relations* 2.

some of the major reasons for the dismal performance of the union movement. Similar arguments were posed by others³⁷ who saw them in turn adversely affecting the effectiveness of the entire industrial relations machinery. It seems the industrial relations system PNG inherited at independence from Australia was at its most successful at a bureaucratic level. It was largely a paper creation. But as a mechanism for expressing and resolving industrial relations grievances in the workplace it was frustrated by a lack of adequate union organisation.

The second sub-theme is characterised by works on exceptional organisations which were able to develop both the membership and leadership prerequisites for effective operation within the system of compulsory conciliation and arbitration. This point is exemplified in several studies³⁸ of workers' organisations. Salient factors such as committed and dedicated trade union leadership, nature of industry and sound membership base were keys to their success. Yet subsequent works recount some of the familiar features such as organisational issues.³⁹

TRADE UNIONS AS LEGITIMISING INSTITUTIONS

Numerous of the studies consulted on the workers and their unions in the Third World agree on the fact that because of the very different process of industrialisation, social formation and economic structure, the working class of the Third World developed differently from that in the industrialised countries.⁴⁰ The poor formation of social class has weakened the strength and position of the working class. First it has created a divided working class and second, it has impeded the development of a capitalist labour market in many Third World countries.⁴¹ In the case of PNG, despite the trade unions' mixed performance, several commentators⁴² however viewed them as legitimating the existence of the PNG industrial relations system. They observed that PNG unions had remained

³⁷ For example see Chris Legget, 'The context of trade union development in Papua New Guinea' (1976) 3 *International Labour Review* 2;

³⁸ T Dwyer, 'History of the Federation of Workers Association in Papua New Guinea' (1972) 10 *Industrial Review* 1; Andrew Spaull, 'The Papua New Guinea Teachers' Association - A successful venture in white-collar unionism' (1974) 17 *Journal of Industrial Relations* 1; Ron Badely, 'Some Notes on the Emergence of a Union' (1982) 2 *Yagal Ambu* 1; and Michael Hess, 'How the Foreign Devils Got it Wrong: Understanding Industrial Relations in Less Developed Countries' (1986) 28 *Journal of Industrial Relations* 2.

³⁹ Michael Hess, 'Successful unionism in a difficult environment: Papua New Guinea Maritime Workers Industrial Union in the 1990s' (2000) 24 *Journal of Pacific Studies* 1; Benedict Y. Imbun, 'Human resource management issues in Papua New Guinea mining: the case of Porgera' (1998) 4 *International Employment Relations Review* 2; and Benedict Y Imbun, 'Trade unions or tribal organisations?: the genesis of Porgera Mining and Allied Workers Union in Papua New Guinea' (2002) 3 *Labour and Management in Development Journal* 4.

⁴⁰ Shafique A Siddique, 'Industrial Relations in a Third World Setting: A Possible Model' (1989) 31 *Journal of Industrial Relations* 3.

⁴¹ Maget Hoogvelt, *Third World in Global Development* (1982); Matthew Kasfir, *Industrialisation in the Colonies and the Colonisers* (1983); and Hopson Alavi, *The State in the Third World* (1984).

⁴² Mike Daley, *Dispute Settlement and the Promotion of Industrial Peace in Papua New Guinea 1962-1982* (1983); Michael Hess, *Unions Under Economic Development: Private Sector Unions in Papua New Guinea* (1992); and Michael Hess and James Gissua, 'Unions and Industrial Relations in Papua New Guinea', (1992) 17 *New Zealand Journal of Industrial Relations* 1.

weak and unable to use the industrial relations processes of conciliation and arbitration to their full advantage. However, by the same token, Daley⁴³ acknowledged at least the industrial relations machinery continued to prove beneficial to those few unions which utilised it. Hess⁴⁴ advocated this observation (sub-theme) in examining the emergence of the first peak union council, drawing a parallel with the Australian industrial relations system and viewing its existence as fulfilling a “bureaucratic need” of the country’s industrial relations system. Later, Hess and Gissua⁴⁵ maintained the same argument and noted that the effectiveness of the PNG trade unions was never questioned (as was the case in Australia and New Zealand) despite the industrial relations system’s inability to settle industrial disputes.

VARYING ROLES OF STATE

Commentators interested in Third World industrial relations systems found that to understand their unique and comprehensive character one ought to question the motive and action of the state mechanism in participation and regulation in the area. Most of them⁴⁶ viewed that some states’ embraced a “corporatist” character where they made the trade union movement an administrative arm of the state, charged with the primary responsibility of maintaining discipline and furthering productivity, thus making the union a partner in development. There have also been two other labels often applied to those states resembling behaviours befitting the two styles of industrial relations regulation. One is “interventionist” where a state embracing this character plays a dominant role both in the economic and industrial, as a result of the weakness of both the working class and capitalist class.⁴⁷ In most developing countries automatic state intervention in both economy and polity has become more of an “indispensability” than an emergency obligation.⁴⁸ While regulation of industrial relations in most developing countries seemed to have been heavy handed, there are a few countries that have developed pluralistic independent unions, capable of operating and negotiating with employers and government in resolving unions. These countries have a liberal pluralistic industrial relations system that is quite different from those found in most of the developing countries. The independence of unions and employers in negotiation environment and the neutral role played by the state in industrial disputation is similar to the workings of many advanced countries.⁴⁹

⁴³ Mike Daley, above n 42.

⁴⁴ Michael Hess, ‘Papua New Guinea’s First Peak Union Council: Creating Unions to Fill a Bureaucratic Need?’ (1988) 34 *Australian Journal of Politics and History* 1.

⁴⁵ Hess and Gissua, above n 42.

⁴⁶ Edward Kassalow and Unagi Damachi, *The Role of Trade Unions in Developing Societies* (1978); and Shafique A Siddique, ‘Industrial Relations in a Third World Setting: A Possible Model’ (1989) 31 *Journal of Industrial Relations* 3.

⁴⁷ For sample of “state interventionist” theory see Bob Essenberg, ‘The interaction of industrial relations and the political process in developing countries: A comparative study’ (1985) *British Journal of Industrial Relations* 120; Thomas Clegg, *The Anthropology of Organised Labour in Thailand and South Korea* (1985); and Gordon Damachi, *Industrial Relations in Africa* (1979).

⁴⁸ George Caire, *Freedom of Association and Economic Development* (1977).

⁴⁹ Benedict Y Imbun, *Industrial and Employment Relations in the Papua New Guinea Mining Industry* (1999).

In PNG the enthusiasm shown in trade union commentary was not duplicated in the observance of the state's involvement in industrial relations. Daley⁵⁰ viewed the state's activity in industrial relations to be modest and weak, dealing with its existing machinery rather less effectively. However, Hess⁵¹ found the general level of community acceptance of the state's role in industrial relations and other areas to be low in PNG. And in a limited commentary on the PNG government's role, he also observed that PNG governments have gone to some length to advocate unionisation at the workplace, which was quite unusual for a developing country. Although the country does not resemble an interventionist state, it does have policies which aggressively promote economic growth at the same time appealing for enterprises to take due care of workers' rights.⁵²

From a labour economics perspective, McGavin⁵³ commented the state's minimal role in industrial relations to be found in the prevailing dualistic and largely traditional make up of the PNG society. The conventional structure of PNG society, with no ethos of union organisations nor an economy that created large numbers of "proletarians" who survived by selling labour to the capitalist, was largely seen as one of the major obstacles. However, notwithstanding its weaknesses and constraints, the ability of the PNG state to influence industrial relations had been best demonstrated in the wage tribunals over the years after independence.⁵⁴ Yet, Imbun⁵⁵ concluded that it does not meet overwhelmingly the features of a corporatist state nor interventionist in character, but is pluralist dealing only with its established institutions, which is surprising for a developing country. In other words, unlike its South East Asian neighbours, PNG has facilitated and allowed for the operation of independent unions and employers' organisations, all of which pursue their interests in a relatively liberal and democratic environment.

DEVELOPMENTAL ROLE OF TRADE UNIONS

Despite the absence of a corporatist state, the role of trade unions in development of PNG was given prominence later. Hess⁵⁶ in a seminal piece of work gave a historically definitive account of the emergence of various unions in the country and credited the few that provided landmarks in the history of union development in PNG. He took the view that PNG's workers were an essential part of the nation's story and that their labour was basic to the achievement of economic progress. The developmental role of the industrial organisations was emphatically stated in his work.

⁵⁰ Mike Daley, *Industrial Relations System of Papua New Guinea* (1987).

⁵¹ Michael Hess, 'Unionism and Industrial Relations in a Newly Independent Nations: Some Evidence from Papua New Guinea' (1989) 25 *Indian Journal of Industrial Relations* 2.

⁵² Michael Hess, 'How the Foreign Devils Got it Wrong: Understanding Industrial Relations in Less Developed Countries' (1986) 28 *Journal of Industrial Relations* 2.

⁵³ Paul McGavin, *Wages Incomes and Productivity in Papua New Guinea* (1991).

⁵⁴ Sue Carroll, *The Changing Emphasis of Wages Policy in Papua New Guinea: The Reasons and Underlying Causes* (Honours Sub-thesis, University of Sydney, 2003); Benedict Y. Imbun, *Dynamics of Wage Fixation in a Developing Economy: The Case of Papua New Guinea* (2008 forthcoming).

⁵⁵ Benedict Y Imbun, *Ibid.*

⁵⁶ Michael Hess, *Unions Under Economic Development: Private Sector Unionism in Papua New Guinea* (1992).

Further Hess⁵⁷ provided an example of the development role that had been assumed by one of the parties of the industrial relations system. The peak union council which was an initiative of the colonial government in the mid-1960s, according to him was purposely set up for it to partner the state in its development endeavours. Of the two roles, one was industrial, and the other was intended by the colonial state for the national union organisation for a political role in the transition period to independence. He argued that this role was necessary because the colony lacked both national institutions and national leadership, as the colonial state was minimally prepared for the eventual transfer of power. In such a situation the establishment of a national peak union council had particular significance for the broader political process as well as for the individual union leaders who were attempting to make their mark on national politics.

Additionally, Gissua⁵⁸ examined contemporary development in the context of industrial disputations. Imbun⁵⁹ applied pluralism and “exceptionalism” to PNG’s industrial relations system and its polity and found it relevant and fitting. His work demonstrates that PNG’s mining industrial relations have developed embryonic pluralist independent unions, capable of operating and negotiating with employers and government in resolving issues. In this PNG is an “exception” when contrasted with a number of developing countries.

Quite recently, Imbun⁶⁰ observed that the country has not “advanced” from the colonial government’s introduced industrial relations system. But it has partnered other institutions in facilitating economic development of the country, and he concluded that there is optimism. That in the long run the pillars of the industrial relations system will continue to function as they have been doing for the last thirty-eight years. In the same work Imbun remarked that generally, the workings of the industrial relations system has come to reflect the whole problematic situation of other service-orientated institutions in the country. In theory there is the Australian style conciliation and arbitration system in existence, but in practice, unions have remained weak and they have been unable to use the industrial relations system to their advantage. This seems to be the trend even in the current period.

LABOUR DISPUTES

Any review of industrial relations literature is not complete without assessing record of industrial disputes. However, after more than three decades of country’s independence, PNG unions have remained weak and unable to use the industrial relations processes of

⁵⁷ Ibid.

⁵⁸ James Gissua, ‘Institutional Transfer and Industrial Dispute Settlement Process in Independent Papua New Guinea’ (Paper presented at the International Conference on Colonial Inheritance: The Pacific Islands Since Independence, Australian National University, July 1994).

⁵⁹ Benedict Imbun, *Industrial and Employment Relations in the PNG Mining Industry* (1999).

⁶⁰ Benedict Y Imbun, ‘Have We Walked ‘on the Clear(ed) Path’?: An assessment of the Development of Industrial Relations in Papua New Guinea’, in David Kavanamur, Charles Yala and Quentin Clements (eds), *Building a Nation in Papua New Guinea: Views of the Post-Independence Generation* (2003) 149.

conciliation and arbitration to their full advantage. As a matter of fact, according to Daley⁶¹ out of the total number of 1278 disputes recorded between 1963 only 18 per cent went to arbitration while most were merely “ignored” by the various employers. A few significant cases were solved through conciliation.⁶² This was basically because generally employers in PNG have been notorious for maintaining a unilateralist approach of management of workplace relations. It was particularly evident in the plantation sector where the bulk of the industrial cases were never attended to by stubborn employers. Only a handful went through the full gamut of the industrial relations. The picture remained the same in the 1990s.⁶³

NOTABLE INDUSTRIAL DISPUTES

However, what seems to be the dullness of industrial relations practice in PNG is contradicted by the analyses of several notable industrial disputes encountered in the mining sector. The theoretical position emerge from the analyses is that the PNG experience lends very little support to the Kerr-Siegel thesis⁶⁴ which postulated that harsh working conditions were increasingly responsible for influencing the formation of militant trade unions. Despite the location of some of the workplaces in PNG’s very remote areas workers and their unions have for most of the time become dull organisations⁶⁵. Therefore, it does demonstrate that industrial conflict in PNG workplaces is influenced by a host of factors ranging from the conventional issues (i.e. wage and safety),⁶⁶ some unique ones (i.e. training and localisation and recognition of trade union activities)⁶⁷ to paternalistic management attitudes. Mamak and Ali⁶⁸ who analysed the country’s first major and violent labour dispute between Bougainville Mine Workers Union (BMWU) and Bougainville Copper Limited (BCL) concluded that years of neglect of rudimentary worker requirements such as minimum wage by management exploded into mayhem accompanied by destruction of company properties. In the end, the dispute was resolved through a hastily installed Commission of Inquiry comprised mainly of politicians, who called for a major review of the BCL employment conditions.

⁶¹ Mike Daley, *Dispute Settlement and the Promotion of Industrial Peace in Papua New Guinea 1962-1982* (1983).

⁶² James Gissua, ‘Institutional Transfer and Industrial Dispute Settlement Process in Independent Papua New Guinea’ (Paper presented at the International Conference on Colonial Inheritance: The Pacific Islands Since independence, Australian National University, July 1994); Benedict Y. Imbun, *Industrial and Employment Relations in the PNG Mining Industry* (1999).

⁶³ Benedict Y Imbun, ‘The Dynamics of Industrial Relations in the Papua New Guinea Mining Industry: Implications for Trade Union Policies’ (Discussion Paper No. 90, PNG National Research Institute, 1999).

⁶⁴ Clark Kerr and Abraham Siegel, ‘The Inter-Industry Propensity to Strike – An International Comparison’ in Arthur Kornhauser, Robert Dubin and Arthur Ross (eds), (1954) *Industrial Conflict* 181.

⁶⁵ Benedict Y Imbun, ‘Multinational mining companies and indigenous workers in Papua New Guinea: Tensions and challenges in employment relations’ (2006) 39 *Labour, Capital and Society* 1.

⁶⁶ For an example of how conventional industrial issues have taken place in PNG, see Benedict Y Imbun, ‘Dilemma of Wage Fixation in a Developing Country: The Case of Papua New Guinea’ (1994) 2 *International Journal of Employment Studies* 2.

⁶⁷ See for example, Benedict Y Imbun, ‘The Emergence of an Industrial Workforce: Recruitment and Training in the Papua New Guinea Mining Industry’ (1997) 5 *International Journal of Employment Studies* 2.

⁶⁸ Ahmed Ali and Alexander Mamak, *Race, Class and Rebellion in the South Pacific* (1979).

Similarly, Hess and Gissua⁶⁹ analysed the second major dispute also involving a mining union and found obvious parallels with the 1975 BMWU strike. The conflict between Ok Tedi Mining Workers Union and the mine management which lasted 15 days arose as the result of several outstanding demands which were not contained in the existing award. They commented that it was obvious that the outcome of this dispute favoured the union, as the BMWU dispute did. Further, the central theme in industrial dispute of suppression of workers rights and management paternalism is also demonstrated in the Porgera dispute. Imbun and Morris⁷⁰ analysed the Porgera dispute and found that it represented a landmark on the road to industrial tolerance and a “pluralist” acceptance of mutual rights for both employees and management.

Of interest are also miscellaneous documentations of industrial disputes. For example, Kalinoe⁷¹ discussed the complexity of workers’ dismissal cases as a result of being union members and found the case decisions, particularly by higher courts, to be antiunion, and so having the potential to send shivers down the spine of the legitimate trade union movement. Imbun and Ngangan⁷² in an intriguing study of significance of information disclosure in collective bargaining and level of industrial dispute found that there was a correlation between information disclosure and industrial disputes in PNG. Above all, Imbun⁷³ concluded that emergence of industrial conflict in PNG mines is a product of multiple factors however; the ability of unions to represent workers’ grievances is affected by a lack of union efficiency. This is in contrast to often well resourced and aggressive unions in western mines negotiating with tough managements on the core industrial matters of their relationships.

CONCLUSION

In most developing countries, bureaucratic and other institutional frameworks of governance have been either transferred or developed with influences from the colonisers. However, it was the responsibility of the emancipated states to make sense of the imposed system and make it viable in the prevailing circumstances. The literature review on PNG industrial relations system in general manifested what seems to be a dormant system inhibited mostly by its contextual factors. Apart from this obvious

⁶⁹ Michael Hess and James Gissua, ‘Unions and Industrial Relations in Papua New Guinea’ (1992) 17 *New Zealand Journal of Industrial Relations* 1.

⁷⁰ Benedict Y Imbun and Richard Morris, ‘Conflict in Papua New Guinea Mining: The 1993-95 Porgera Dispute’ (1995) 20 *New Zealand Journal of Industrial Relations* 3; Benedict Y Imbun and Richard Morris, R. 2001, ‘Labour and mining in remote areas: toward an assessment of benefit’ in Benedict Y Imbun and Paul A McGavin (eds), *Mining in Papua New Guinea: Analysis and Policy Implications* (2001) 81.

⁷¹ Lawrence Kalinoe, ‘Dismissing Employees On Account of Being Union Members: *Habuka Lawyers v Higaturu Oil Palm Pty Ltd*’ (1997) 25 *Melanesian Law Journal* 125.

⁷² Benedict Y. Imbun and Ken Ngangan, ‘Disclosure of Information to Trade Unions in Papua New Guinea’ (2001) 2 *Labour and Management in Development Journal* 4.

⁷³ Benedict Y Imbun, ‘Industrial Relations in Papua New Guinea Mining: Implications for Labour Policies’ in Donald Denoon, Chris Ballard, Glen Banks and Michael Hancock (eds), *Mining and Mineral Resource Policy Issues in Asia-Pacific* (1995) 244; and Benedict Y Imbun, ‘Mining Workers or “Opportunist” Tribesmen?: a Tribal Workforce in a Papua New Guinea Mine’ (2000) 71 *Oceania* 2.

picture, there is another implication arising from the review. That is that the analysis falls short of a complete, systemic picture. Many aspects of labour employment in PNG remain unclear. Much work is required before the body of knowledge on PNG employment relations approaches the level of the national literatures on employment in the developed world with their vast range of empirical data and numerous explanatory theories focused on specific issues such as trade union growth and decline, workplace bargaining and rule making.

Research on employment and industrial relations in PNG, as is the case in most of the developing world, is still in a pre-systemic stage. The theoretical explanation of industrial relations in PNG is perhaps clearest in the context of general macro systemic theory about labour and the global industrialising process.